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Chairman: Ms. ROTHEISER (Austria)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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In the absence of Mr. Dinu (Romania), Ms. Rotheiser (Austria), Vice-Chairman, took the Chair.

The meeting was called to order at 3.25 p.m.

AGENDA ITEM 120: FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991) (continued)

(a) UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION (A/47/637/Add.1 and Add.1/Corr.1 and A/47/987)

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AGENDA ITEM 124: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued) (A/47/990)

1. Mr. HOSANG (Acting Controller) responded to questions that had been raised at the previous meeting by the delegation of Belgium on behalf of the European Community, and by the delegations of the United States, Mexico and Zimbabwe. The voluntary contributions listed in document A/47/637/Add.1/Corr.1 on the financing of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) had not been deducted from the total cost of the mission, as most of them had not been included as budgeted items in the cost estimates. Several items listed corresponded to controls under the agreement with the host country. With regard to the pledge from the Government of Kuwait to reimburse UNIKOM for half the cost of petrol and lubricants, no reimbursement had been received thus far. Under the current procedure, UNIKOM must pay the supplier in full and submit a request for reimbursement to the Government of Kuwait. Any reimbursement received would be credited to the UNIKOM special account as miscellaneous income and reported to the Assembly in future.

2. Responding to the question concerning the $5 million loan to UNIKOM from the Peace-keeping Reserve Fund, he said that its purpose had been to meet operational cash requirements during the period May 1992 to July 1993. The total amount of the loan had been $12 million; the $5 million balance had been repaid on 27 July 1993.

3. Replying to another question, he said that the strengthening of UNIKOM military contingents was scheduled to begin in mid-September but there could be a delay. The civilian component had not been strengthened and would be delayed.

(Mr. Hosang)

4. Replying to a question concerning the recruitment of local staff by the United Nations Operation in Somalia (UNOSOM) he said that a total of 491 local persons were currently employed as gardeners, generator mechanics, security personnel, plumbers, guards, masons, porters, and handymen. The $7 million budgeted for infrastructure repairs in the port of Mogadishu was earmarked for additional repairs to the harbour and airport above and beyond the repairs already financed by the United States. Nearly all Somalia's infrastructure had been severely damaged in the two years of fighting and many installations had been vandalized and looted. Provision of $7 million had been made for emergency repairs and reconstruction in order to allow the military components of UNOSOM II to carry out their tasks. It would cover repairs to be made to seaports and airport navigational installations in Mogadishu and airfields and landing strips at several locations outside the capital; to access roads to military camps and to bridges to be used by military and humanitarian convoys; and to waterworks, wells, filtration plants and related pumping equipment.

5. Responding to a question about the high cost of security personnel, he said that a total of 92 technicals were employed by UNOSOM at a rate of $170 per person per month. Explaining the difference between the amounts budgeted for round-trip flights for emplacement of personnel and for travel on compassionate leave, he said that the amount of $7,000 for emplacement of personnel included a transportation cost of $4,200 (round-trip), $1,500 for unaccompanied shipment of personal effects and $300 for travel subsistence allowance and terminal allowance. Travel on compassionate leave included only one-way travel to the country of destination and did not include provisions for unaccompanied luggage or for much of the subsistence allowance.

6. Responding to questions concerning the United Nations Operation in Mozambique (ONUMOZ), he said that, not only international General Service staff but also local staff were indeed considered for many appointments, including general office functions. The local staff numbered 254 as of August 1993. Concerning the new Mission headquarters building, he said that the provision of $2 million was intended to cover all costs associated with a prefabricated complex. It included ground preparation, the laying of foundations, the purchase and erection of prefabricated buildings, the connection of water and electricity facilities to the prefabricated buildings and other costs. The top seven floors of the Rovuma Hotel, which were currently being used as ONUMOZ headquarters, cost $119,700 per month and were not suitable for conversion to an office complex. Utility services in the hotel were extremely unreliable; there were frequent power outages and there was no stand-by generator or emergency lighting. The elevator was also unreliable; it could not service the Mission headquarters and the hotel at the same time. Emergency facilities, such as fire-prevention and fire-fighting equipment, were almost non-existent and the hotel had major security problems. Other United Nations agencies had expressed interest in relocating to the new ONUMOZ headquarters once the operation was completed.

7. Responding to a question concerning the rental of minivans even though ONUMOZ was supposed to use minibuses ordered for UNTAC, he said that the minivans would compensate for the shortfall during the phasing-in period of contingent-owned vehicles, pending the arrival of United Nations-owned vehicles. A small provision was also needed to replace accident-damaged vehicles and to assist with the high volume of personnel movement during the election period.

(Mr. Hosang)

As for negotiations between the Secretariat and the Government of Mozambique concerning the payment of taxes on petrol and diesel fuel, he said that prior to the implementation of the Status-of-Forces Agreement and the fuel contract, fuel prices had included government taxes. Action was being taken to recover previously paid taxes. The current price per gallon was $1.49 for petrol and $1 for diesel fuel. Responding to the question on storage space for helicopters, he said that the Government of Mozambique had not provided storage space and that such space had been constructed or was being rented. Concerning landing fees, he said that they had not been paid since the signing of the Status-of-Forces Agreement in May 1993. Records had been kept of the taxes paid to the Government of Mozambique and action was being taken to recover those amounts.

8. Responding to questions concerning an additional 200 laptop computers, he said that the price of the laptops, including printers, had been lowered from $3,900 to $3,100 (document A/47/985, paras. 3 and 18). The laptops, whose printers were also portable, were intended for use in locations where a high degree of flexibility was required, such as assembly areas and places where the electric supply was unreliable. The additional 200 laptops were intended for use during the election phase. Responding to the question on local procurement, he said that every effort had been made to procure goods and services locally, which had the added advantage of reducing lead time. However, due regard was also being paid to obtaining value for money, and to the suitability of goods and services and United Nations contractual procedures. Responding to a question on the humanitarian and development costs in the budgets of peace-keeping operations such as ONUMOZ and UNOSOM, he said that most of the funding for humanitarian assistance and development had been provided through voluntary contributions. The ONUMOZ budget provided for humanitarian assistance and development only where it was directly related to the peace-keeping operation. Concerning the question on lump-sum start-up costs, he said that the lump-sum appropriations had been extremely effective and had certainly assisted the Mission during the crucial start-up phase. Responding to a question on the calculation of the staff assessment for the period 15 October 1992-30 June 1993, he said that the figure of $1 million was based on the actual amount recorded for that period. The staff assessment would be credited to the Tax Equalization Fund established by General Assembly resolution 973 A (X). The attribution of staff assessment to each post, regardless of whether the staff members had been internationally or locally recruited, helped to maintain consistency in calculating the requirements for posts.

9. Responding to questions of a more general nature, he said that the Board of Auditors had requested and received additional resources totalling $160,890 for the external audits of UNTAC, UNPROFOR, UNOSOM and ONUMOZ in accordance with General Assembly resolution 47/211, paragraph 6. Responding to a question on the level of audit services performed, he said that, by 31 December 1993, all existing peace-keeping operations would have been audited at least once in the biennium 1992-1993. UNTAC, the United Nations Protection Force (UNPROFOR) and the United Nations Interim Force in Lebanon (UNIFIL) would have been audited twice. The four audit missions would include one four-week visit to UNIKOM by two auditors; two visits for six weeks by four auditors to UNTAC; two visits for five weeks by three auditors to UNPROFOR; and one five-week visit by three auditors to UNOSOM. A total of $295,000 was included in the budgets of ten peace-keeping operations for external audit in 1993.

(Mr. Hosang)

10. Responding to the question concerning the Integrated Management Information System (IMIS), he said that 17.5 per cent of the total cost of IMIS, currently estimated at $41 million, was financed from peace-keeping operations. Lastly, referring to discrepancies between reimbursements to UNIFIL and UNPROFOR troop-contributing countries, he said that the substantially higher reimbursement for troops contributed to UNPROFOR had been made until the end of November 1992 only.

11. Mr. BOIN (France) requested clarification as to whether the United Nations still owed UNIFIL troop-contributing countries the difference between $948 and $750 per person per month. He expressed surprise at the final sentence of paragraph 27 of document A/47/916/Add.1 concerning the lack of precise reporting information on reimbursements to troop contributors for UNOSOM II that had come due beginning 1 May 1993. If the delay in reimbursement were attributed to the financial crisis, that would be understandable. The supposed lack of information, however, was surprising, since troops represented by far the largest item in peace-keeping budgets and precise information about them should be available.

12. He requested information on the price of the 850 minibuses purchased for UNTAC (A/47/733/Add.1, annex XLI) and wondered if international bids had been sought. It was surprising that the top officials of the Office of General Services had been informed of the procurement after the fact. His delegation would appreciate clarification in that regard. It also requested clarification as to whether the consultant mentioned was a Secretariat staff member or an outside consultant. It would be useful to have further details on the substantial exchange losses of $2.7 million in connection with the purchase of Mission vehicles (annex II, para. 19).

13. His delegation would also appreciate an explanation of the mission subsistence allowance provided to ONUMOZ military observers (document A/47/969, annex VII, sect. II, para. 1). It was not clear why Governments should be assessed for costly mission subsistence allowances over and above the payments they already made to military observers.

14. In conclusion, he pointed out discrepancies between the number of redeployed UNTAC vehicles given in annex XLI of document A/47/733/Add.1 and in the reports of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the financing of the various peace-keeping missions. If necessary, corrections should be submitted.

15. Mr. SPAANS (Netherlands) said that his delegation had had the same questions as the United States and French delegations concerning UNTAC. Referring to the further report of the Secretary-General submitted in pursuance of paragraph 18 of Security Council resolution 814 (1993), (S/26317), he wondered whether meeting the cost of a temporary increase in the UNOSOM troop strength from within already approved appropriation levels (para. 74) would have an impact on the budget proposal before the Committee. His delegation would also appreciate it if the Secretariat could specify which obsolete administrative, financial and logistical procedures it was referring to in paragraph 77 of the report. It was not clear whether the Fifth Committee was being criticized in that paragraph.

16. Mr. MICHALSKI (United States of America) said that his delegation could accept the current method of calculating staff assessment, if the surplus generated under certain accounts was returned to the United States, the only country effectively paying into the Tax Equalization Fund. Two months earlier, the United States had requested the Secretariat to credit surplus amounts from the Tax Equalization Fund to its unpaid regular budget contribution. Thus far, the Secretariat's response had been that there was no surplus despite the fact that funds had been loaned from the Tax Equalization Fund to the General Fund.

17. An article in The Washington Post on 19 August, reported that United Nations troops in Sarajevo routinely sold trips across the airport runway in armoured personnel carriers for $60 worth of German marks; that a Serbian doctor allowed to leave Sarajevo had had to pay $2,400; and a woman attempting to rejoin her husband in Zagreb had been told that she would have to pay $5,000 for herself and her two children to travel on United Nations aircraft. According to the article, the chief spokesman for the United Nations Protection Force had acknowledged that some officers and enlisted men had been disciplined for corruption and that one colonel had been sent home for smuggling. The article also reported that the United Nations operation had recently banned Bosnian journalists from United Nations aircraft because of "abuses" of the accreditation system, including the sale of accreditation cards to journalists by United Nations employees in Sarajevo. His delegation wished to know whether the United Nations external auditors or internal auditors had reported on or investigated such problems. It would also be important to know whether the United Nations staff involved in the reported abuses had been dismissed and how many troops had been disciplined for engaging in such activities.

18. Mr. RAE (India) said that his delegation fully endorsed the recommendation of ACABQ on the need for more analysis in performance reports and for strengthened internal audit, evaluation and investigation functions in peace-keeping operations. His delegation was of the view that humanitarian activities related to relief and reconstruction should continue to be financed from voluntary sources and only peace-keeping and military activities should be financed by assessed contributions. Criteria were needed for apportioning costs between voluntary and assessed budgets.

19. Guidelines governing the recruitment of civilian personnel from Member States as recommended by ACABQ, should be developed. His delegation had serious reservations about the recent practice of employing international contractual personnel in peace-keeping operations, in particular, about the payment of salaries on the basis of country of origin rather than nature of work. Steps should be taken to ensure that the principle of equal pay for equal work for all personnel involved in peace-keeping operations was upheld in the organization. If cost-effectiveness was accepted as the overriding criterion, all personnel would be recruited from the cheapest source and the international character of the operation would be sacrificed. There was cause for concern that in sensitive missions the United Nations might employ staff who were not amenable to the United Nations command and discipline. Such questions should be examined by the Secretariat and submitted for consideration by the General Assembly at its forty-eighth session. Finally, Member States should be urged to provide services currently sought from outside contractors.

(Mr. Rae, India)

20. The lack of appropriate death and disability coverage for some of the personnel employed in peace-keeping operations was unacceptable. The matter should be thoroughly reviewed by the Secretariat and concrete proposals should be submitted to the forty-eighth session of the General Assembly. In order to avoid discrimination, it was important to institute standard rates of reimbursement in the event of death and disability. It would be helpful if a breakdown of reimbursements made for death and disability by nationality or country of origin for the last 12 months could be made available to the Committee.

21. Ways must be found to expedite reimbursements to troop contributors for operations which had been liquidated. His delegation would like to know what efforts the Secretariat had made to discharge such obligations. If repayment was not immediately possible, then the relevant amounts could be offset against assessments for new operations. Finally, it would be useful if existing guidelines for the transfer of funds between different items could be made available to interested delegations. Perhaps rules and regulations could be devised, similar to those relating to the transfer of resources within and between sections of the regular budget.

22. Mr. MARUYAMA (Japan) said that his delegation fully shared the concern of the European Community regarding the severe financial crisis which peace-keeping operations were currently facing. Since the crisis was primarily due to arrears in payments by a number of countries, those countries should be encouraged to pay their arrears promptly. His delegation strongly hoped that the level of the peace-keeping reserve fund would be raised to $150 million as soon as possible. His delegation expected that the Secretary-General would make proposals to the General Assembly at the earliest possible date on the strengthening of the management mechanism, on measures to improve the competence and efficiency of personnel through better recruitment and training and on the use of a support account for those purposes.

23. The timely submission of the Secretary-General's reports on budgets for peace-keeping operations would shorten the time-lag between the establishment or extension of operations and the collection of contributions. His delegation supported the views of ACABQ regarding the presentation of reports (A/47/990, paras. 3, 4 and 7-9) and the need for standard guidelines for financial arrangements (A/47/990, para. 37) which would make budgets more transparent.

24. A general guideline defining the short-term humanitarian requirements of missions and the long-term needs should be provided to the General Assembly. In order to reduce the overall costs of each mission, host Governments should be encouraged to provide all possible support to peace-keeping missions. Considering the recent expansion of the role of civilians in peace-keeping, the use of volunteers should be increased and appropriate death and disability benefits should be provided for them.

25. General guidelines governing the disposition of assets after an operation was liquidated were needed. Liquidation of peace-keeping accounts upon completion of their activities should be expedited so as not to keep Member States' precious contributions frozen in those accounts.

(Mr. Maruyama, Japan)

26. His delegation strongly supported the proposal for financial assistance to the Joint Interim Administration of Cambodia on the basis of assessed contributions. The General Assembly should decide to give the Secretary-General the necessary commitment authority pending its consideration of the Secretary-General's report and decision on the final appropriation. In that context, his Government had decided to contribute $4 million for such assistance, half as an outright grant and half as an advance on the assessed contribution for that purpose.

27. His delegation expressed its regret at the unfortunate incident relating to the procurement of 850 minibuses (A/47/733/Add.1, annex XLI). His delegation appreciated the Secretary-General's efforts to investigate the matter and hoped that steps would be taken to prevent a recurrence of such mismanagement.

28. Mr. McKINNON (New Zealand), speaking also on behalf of Canada and Australia, said that since the current financial crisis had arisen in part because many Member States had not paid their assessed contributions to the regular budget or to peace-keeping operations, it was time for the General Assembly to consider in earnest the various proposals made by the Secretary-General regarding penalties for the non-payment or late payment of contributions. Just as Member States were required to pay their contributions according to schedule, the Secretariat was required to present budgets in a timely manner. Delays in notifying Member States of assessments exacerbated the Organization's cash-flow problems. Finally, all financing resolutions should include a standard provision for continuing financing, as had been introduced for the United Nations Disengagement Observer Force (UNDOF).

29. The most immediate source of concern was the arrangements for the financing of the United Nations Transitional Authority in Cambodia (UNTAC) for the initial phase of the liquidation of the operation until the end of the current year. The financing of the operation for the period up to 31 August 1993 was a further source of concern. In response to the Secretariat's request for $126 million, ACABQ had recommended $85 million. His delegation would welcome further comment from the Chairman of ACABQ and the Secretariat's views regarding the appropriateness of the amount proposed by that Committee.

30. New remedies were needed for the longer-term problems of financing peace-keeping operations. His delegation was strongly attracted to the idea of establishing a unified peace-keeping budget with separate line items for each operation which would give the Secretary-General much more flexibility in financing the rapid deployment and ongoing funding of operations. The unified budget would allow the Secretariat to replace the multi-billing process with an annual billing system for Member States' assessed contributions. The expansion of one operation could be financed through the contraction of another and anticipated savings could be reimbursed or credited against future assessments. A unified budget would encourage better national budget planning and more prompt payment.

31. On the question of civilian staffing, the process of competitive bidding for contracting civilian personnel had led to substantial savings. His delegation supported further examination and ultimately wider use of that practice. On the other hand, the current practice of determining where operations could do local purchasing should be discontinued. Purchasing for

(Mr. McKinnon, New Zealand)

peace-keeping operations could be substantially decentralized to mission management with the introduction of uniform financial control and strict accountability.

32. The issue of the level of the peace-keeping support account needed to be reviewed. That account should be used to meet costs directly related to peace-keeping activity and current limitations should be removed. Member States should be reminded that the costs of peace-keeping were to be shared by all Member States. Given that peace-keeping operations had become vastly more complicated, it was becoming increasingly difficult to maintain neat budgetary distinctions between the various United Nations activities of each operation. His delegation supported the view of ACABQ that flexibility was needed with respect to ancillary costs. His delegation joined ACABQ in seeking from the Secretary-General a comprehensive report on the planning and operation of peace-keeping activities. The report would give the Secretariat the opportunity to demonstrate to the taxpayers of the world that the United Nations was spending every dollar wisely and properly.

33. Mr. EL-TAL (Jordan) said that his delegation fully agreed with many of the views put forward in the report of the Advisory Committee (A/47/990). Most peace-keeping operations suffered from cash-flow problems caused by the failure of Member States to meet their financial obligations to the Organization. That situation was threatening the continuity of peace-keeping operations and would become very serious if corrective action were not taken. The current method of financing peace-keeping operations only increased expenditures for the Organization and made it impossible to draw real comparisons between the different periods and budgets involved. Accordingly, his delegation urged the adoption of a 12-month budget for peace-keeping operations, which would make it possible to effect savings, simplify the budgetary process and carry out performance evaluation studies of the various operations.

34. There was a great disparity in the costs of the various peace-keeping operations. The Secretariat should provide information on the reasons for that situation, particularly with regard to costs for equipment, vehicles and aircraft. His delegation underscored the need to establish parameters for recurrent costs and guidelines for hiring and purchasing equipment, which should take into account competitive prices on the international market.

35. The increased expenditures for peace-keeping operations required stricter control and monitoring to ensure effective use of resources and achieve savings. Overexpenditures for the purchase of equipment and vehicles must be halted. The Secretariat should also provide information on what was to be done with equipment and vehicles when a peace-keeping operation was terminated. Wherever possible, such equipment should be reused in other operations in order to keep down overall expenditures. Lastly, his delegation fully agreed with the statement made by the representative of Belgium on the delays in the reimbursements to troop-contributing countries. That entire question must be reviewed in depth so that States could continue to participate and send contingents wherever necessary. It was no secret that peace-keeping operations imposed a heavy burden, particularly on developing States, which was hard to assume for long periods.

36. Mr. JADMANI (Pakistan) stressed the need to review existing regulations governing the budgetary process and financial monitoring in view of the increased number of peace-keeping operations. There should be clear and uniform guidelines for benefits and compensation for services rendered in the field. Pakistan agreed with the view expressed in paragraph 26 of the Advisory Committee's report (A/47/990) that there was differentiated treatment of death and disability benefits based on national practice. Military personnel from all States should be governed by the same regulations since personnel in the field were exposed to the same hazardous conditions. The Secretariat should indicate the basis for the current practice, which, apart from being discriminatory, also appeared to place no upper limit on compensation. As in the case of military observers, there should be a standard procedure for compensating peace-keepers.

37. The tasks performed by peace-keepers varied from mission to mission, depending on their mandate. The Secretariat should introduce a "hazardous duty allowance" for contingents exposed to difficult and dangerous conditions and a standard allowance should be paid to all troop-contributing countries taking part in such operations. There was also a need for a manual containing cost estimates of various components of peace-keeping operations in order to clarify the financial requirements involved.

38. A similar situation had arisen with regard to allowances paid to civilian staff recruited through contracting agencies. In November 1992, in order to overcome the shortage of manpower for UNPROFOR, a pilot project had been launched to acquire the services of personnel on contract through international service agencies. While appreciating the rationale for hiring contractual personnel to ensure cost-effectiveness and meet deadlines, his delegation had been dismayed to learn that there were discrepancies in the payment of such personnel by the contractors in question. The United Nations should uphold the principle of equal pay for equal work and rectify that situation immediately.

39. The question of double budgeting had also arisen. While the contribution of Secretariat staff to peace-keeping operations in the field was of vital importance, the Organization could not ignore the fact that their regular assignments were adversely affected when their posts were temporarily filled or left vacant. Furthermore, the vacancies resulting from secondment to the field could result in savings. At the end of each financial year, such savings should be reimbursed to Member States or deducted from their assessed contributions.

40. Lastly, his delegation was deeply concerned at the inability of the United Nations to reimburse troop-contributing countries in a timely manner. The current delays in reimbursement of troop costs might have a negative impact on the participation of those countries in peace-keeping operations. It was imperative, therefore, to solve that urgent problem.

41. Mr. FERNANDEZ DE COSSIO DOMINGUEZ (Cuba) said that the United Nations peace-keeping budget was higher than its regular budget and exceeded the amount of voluntary resources for development programmes. That imposed a financial burden on the economies of developing countries which, in many cases, were unable to meet their own needs with regard to development and domestic welfare. Most Member States had no opportunity to express their views when the Security Council, a restricted and anti-democratic body, decided to approve peace-keeping operations. Nevertheless, those countries were obliged to finance such

(Mr. Fernandez De Cossio Dominguez, Cuba)

operations in spite of their dubious characteristics, uncertain results and questionable effectiveness in many cases.

42. His Government was profoundly concerned that the only real opportunity for Member States as a whole to participate in decisions on peace-keeping operations was through the General Assembly within the decision-making process on financing arrangements after the basic political decisions had already been taken. The uncontrollable increase in costly operations decided upon by 15 Member States, or, on occasion, fewer, should not continue to impose a mandatory financial burden on all countries, particularly developing ones. His delegation shared many of the concerns expressed by a number of delegations regarding unnecessary and dubious expenditures, which could be substantially reduced.

43. Cuba was deeply concerned at the Secretary-General's request for the financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia and the decision taken by the Security Council in that regard. It was inadmissible for the Security Council to determine the financing modalities for the Tribunal since the budgetary implications of United Nations activities and operations were determined by the General Assembly through the Fifth Committee. Neither the Security Council nor any other body could assume that responsibility. Accordingly, the decision to finance the expenses incurred by the Tribunal through the regular budget was inadmissible under Article 17 of the Charter. The Tribunal constituted a very specific operation for which a special financing mechanism must be established outside of the procedures based on assessed contributions.

44. With regard to the United Nations Transitional Authority in Cambodia, his delegation had paid particular attention to the request by the Controller for authority to enter into commitments in the amount of $10 million for the purpose of providing financial assistance for activities which, although necessary for the stable development of the country, fell outside the scope of peace-keeping operations proper. Cuba shared the view of the Advisory Committee that there was no mandate to finance such activities under the regular budget. His delegation therefore supported the relevant recommendation by the Advisory Committee in document A/47/982 and hoped to receive further information on voluntary contributions already received and expenditures to date for such activities. The use of voluntary contributions was the appropriate way to finance such additional activities. In general, Cuba had serious problems with the tendency of the Security Council to take decisions to finance United Nations activities or operations through assessed contributions.

45. Mr. TANG Guanting (China) said that his delegation supported the various recommendations put forward in the report of the Advisory Committee (A/47/990), which would enable the Organization to cope better with the challenges facing it in the field of peace-keeping. In view of the growing number of lengthy reports, the Secretariat should try to ensure that future reports on financial performance and budget projections were presented in a simpler and more transparent manner and with greater comparability. That could be achieved by using more charts and tables on such matters as staffing tables, actual vacancy rates, assessed and voluntary contributions and the costs borne by the host country. China supported the recommendation in paragraph 37 of the Advisory Committee's report on the possibility of preparing a manual which would provide

(Mr. Tang Guanting, China)

the standards underlying the costing of all peace-keeping operations. The manual should set clear standards for all expenses such as salaries and other allowances for military and civilian personnel, and for housing, equipment and transportation in proportion to the staffing table under normal conditions. With such standards, the United Nations could react speedily to the requirements of peace-keeping operations because the Secretariat could present the budget projections for an operation sooner. More important, budgets formulated on the basis of unified standards could avoid overbudgeting, which increased the burden on Member States. Such a manual could only set general principles, of course; different peace-keeping operations would also take account of different factors, such as differing purposes and topographical conditions.

46. His delegation also agreed with the recommendation made by the Advisory Committee in paragraph 10 of its report that there was a need to define clearly the role of assessed budgets in financing humanitarian and development activities. A proportion of the expenses directly linked to a peace-keeping operation, such as the cost of mine-clearing or the repair of roads and bridges, might be funded from assessed contributions, but long-term rehabilitation and reconstruction of a country should be financed from other sources. His delegation hoped that the Secretary-General would give adequate attention to that point when preparing future budget projections on peace-keeping operations.

47. With regard to personnel matters, his delegation believed it was necessary in the interest of economy to reduce as far as possible the number of staff, particularly high-level officials. It shared the view expressed by ACABQ (A/47/990, para. 7) that the Secretary-General's reports on the financing of peace-keeping operations should contain detailed organigrams of the structure of the operation with the main functions of the personnel, the specification of all units and identification of their location on a map of the mission area, a breakdown of premises per unit with an indication of capacity and the distribution of vehicles per unit in different areas. At the same time, the Secretary-General should request Member States to provide more civilian personnel to carry out non-core functions so as to reduce the costs of large peace-keeping operations and control the use of the limited resources of the Secretariat.

48. His delegation had been surprised to learn that international contractual personnel engaged in the same work were not paid at the same level because of their country of origin. As a champion of freedom and equality, the United Nations should comply with the principle of equal pay for equal work and guard against possible exploitation by contractors.

49. In the light of recent experience, it was now imperative to formulate general guidelines, principles and appropriate procedures governing the disposition of assets after a peace-keeping operation had been liquidated. It was also desirable, as had been pointed out by ACABQ, that, on the basis of the experience of UNTAC and UNIIMOG, the Secretary-General should prepare his own proposals for consideration by the General Assembly.

50. Lastly, his delegation wished to stress that while peace-keeping was a noble undertaking it was also a costly one. Peace-keeping operations therefore required active financial support by all Member States, without which even the best peace-keeping programme would be of no avail. It would therefore appeal

(Mr. Tang Guanting, China)

again to all Member States to pay their assessed peace-keeping contributions on time and in full so that the United Nations would be better able to meet the challenges in the field of peace-keeping.

51. Mr. DUHALT (Mexico) said that, as a result of the unprecedented increase in United Nations peace-keeping operations in recent years, the cost of those operations in 1993 exceeded the regular budget of the Organization. That increased activity called for a commensurate effort in the administrative and financial area to ensure the prompt and adequate availability of the funds required as well as restraint and transparency in their budgeting.

52. The ACABQ report (A/47/990) drew attention to a number of aspects which required the detailed attention of Member States in order to improve the process of preparing budgets for such operations. In that connection, his delegation was particularly concerned over the current practice with regard to the budgeting of the remuneration payable to civilian and military personnel participating in peace-keeping operations. In many cases the costs projected for the military contingents did not reflect the real dates of arrival and withdrawal of the troops and thus led to overbudgeting. In other cases, the costs for civilian personnel included the salaries and benefits of United Nations Secretariat staff assigned to peace-keeping operations even though the latter items were already included in the regular budget of the Organization, at least in part. His delegation believed that urgent action was required to correct those problems in order to avoid unnecessary contributions by Member States and that the system of compensation for the costs of the transfer and travel of personnel should be reviewed.

53. Another area requiring attention was the financing of humanitarian and development activities connected with peace-keeping operations. Such activities were normally financed by voluntary contributions from the developed countries. In some cases, however, they had been included in the cost estimates for peace-keeping operations and thus assessed on all Member States. In his delegation's opinion, a clear distinction should be maintained in the budgets of peace-keeping operations between the costs of peace-keeping proper and those relating to economic and social development activities and humanitarian assistance.

54. Another item affecting the costs of peace-keeping operations was services provided by the United Nations to peace-keeping forces, such as laundry and shoe-repair. It was not clear that the provision of such services to professional military units was either required or appropriate.

55. Perhaps the most critical aspect of the budgeting of peace-keeping operations was the acquisition of supplies and equipment. Despite the high level of expenditure for that item, no clear guidelines had been laid down for such expenses. Frequently the prices paid for equipment were considerably higher than the market price and no explanation was given for the excessive costs incurred. The same lack of guidelines existed with regard to the disposition of equipment after the termination of peace-keeping operations. His delegation shared the view that there was a need to review the regulations governing both those matters.

(Mr. Duhalt, Mexico)

56. The matters to which he had referred, required urgent attention from Member States. However, other points referred to by the Advisory Committee in its report should also be taken into account in an overall review of the financing and budgeting of peace-keeping operations. It must also be pointed out that the General Assembly's practice of authorizing global appropriations for peace-keeping operations instead of detailed budgets did not facilitate the supervision by Member States of the expenditures involved. Although, by their very nature, peace-keeping operations necessitated flexibility with regard to costs, attention should in the future be given to the possibility of linking the approval of funding with the provision of more information on the uses to which the resources requested would be put.

57. Mr. OCELLA (Argentina) said that ACABQ had identified a number of issues which required attention in order to improve the financing of peace-keeping operations and the Fifth Committee should continue to set aside time exclusively for reviewing those issues. Among the points which required attention was the failure of Member States to pay contributions on time, particularly the contributions covering the payment of troop contingents. There was also an urgent need to review the structure of the peace-keeping secretariat both at Headquarters and in the field and to prepare a manual of financial practices applicable to peace-keeping operations. Changes must also be made in some of those practices, for example, those relating to the acquisition and stockpiling of supplies and equipment. It was also necessary to strengthen the internal controls over administration and management and the accountability of those directly responsible for decision-making. To that end, the system of internal and external auditing should also be strengthened.

58. In his delegation's view, there were two aspects to the problem of the financing of peace-keeping operations. It was essential, in the short term, to overcome the financial crisis through the prompt and full payment of contributions by Member States. Beyond that, it was essential to make more effective use of human and financial resources by improving procurement, auditing, supervision management, transport, the selection, assignment and rotation of both civilian and military personnel, accountability for decision-making and the structure of the Secretariat both at Headquarters and in the field. Better planning of the operations themselves was also needed.

59. Mr. SPAANS (Netherlands) said that his delegation had some difficulty with the recommendation made by ACABQ in its report on UNPROFOR (A/47/986, para. 37) that the General Assembly should appropriate $200 million for the maintenance of UNPROFOR for the period from 1 July to 30 September 1993. It had in the past expressed its opposition to lump-sum financing and would also point out that the General Assembly had never taken a decision specifically agreeing to the principle of such financing. In that connection, he agreed with comments that had been made by other delegations concerning the need for greater transparency and more information in the UNPROFOR budgets. His delegation was also puzzled by the need to agree to lump-sum financing for UNPROFOR for a period of about three months although that period was already half over. It would strongly prefer not to decide at once on the period after 30 June 1993 and to take a decision only on the basis of a budget to be submitted shortly by the Secretary-General.

(Mr. Spaans, Netherlands)

60. In connection with ONUMOZ, he said it might be useful to devise a more pragmatic budget cycle for that peace-keeping operation. If the General Assembly could decide on a budget for November 1993 to April 1994, at its forty-eighth session, future sessions would be able to consider and approve budget estimates for the corresponding period, while the period from May to October could be dealt with by giving the Secretary-General appropriate commitment authority.

61. In connection with UNOSOM, he said he understood that equipment had been purchased for under-supplied contingents. He took it that that equipment would remain the property of the United Nations and would like to be so informed if that was not the case.

62. Mr. MERIFIELD (Canada) noted that the Secretary-General's report on the financing of UNTAC (A/47/733/Add.1) contained references to different costs for hire/charter of the same aircraft for the periods before and after September 1993. He hoped that did not mean that the United Nations had elected to accept a higher-priced contract after September 1993 rather than the lower-priced renewable contract currently in effect.

The meeting rose at 5.55 p.m.